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10/787,495	02/25/2004	Stuart Horowitz	REL-8402	7298
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

**Application No.**

10/787,495

**Applicant(s)**

HOROWITZ ET AL.

**Examiner**

Heather Beegle

**Art Unit**

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 25 February 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-27 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-27 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>2/25/2004</u> .   | 6) <input type="checkbox"/> Other: _____                          |

## DETAILED ACTION

### *Status of the Application*

1. Claims 1-27 are pending in this application.

### ***Claim Rejections - 35 USC § 102***

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 13, 22-24, 26 are rejected under 35 U.S.C. 102(b) as being anticipated by Singletary [Choices for Conservative Savers, The Washington Post. Washington, D.C.: Sep 15, 2002. p. H.01].

Regarding Claim 13, A method for allocating assets of a portfolio, which comprises the steps of:

- investing a first portion of the assets in a first investment pool at an assumed average first rate of return; (**¶ 3, 13, 14, 16**)
- investing a second portion of the assets in a second investment pool at an assumed average second rate of return being greater than the assumed average first rate of return; (**¶ 3, 13, 14, 16**)

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- investing a third portion of the assets in a third investment pool at an assumed average third rate of return being greater than the assumed average second rate of return; (¶ 3, 13, 14, 16)
- investing a fourth portion of the assets in a fourth investment pool at an assumed average fourth rate of return being greater than the assumed average third rate of return; (¶ 3, 13, 14, 16)
- investing a fifth portion of the assets in a fifth investment pool at an assumed average fifth rate of return being greater than the assumed average fourth rate of return; (¶ 3, 13, 14, 16)
- investing a sixth portion of the assets in a sixth investment pool at an assumed average sixth rate of return being greater than the assumed average fifth rate of return; (¶ 3, 13, 14, 16)
- designating the first investment pool to be a pool from which assets may be distributed from until the first investment pool is exhausted. (¶ 3, 13, 14, 16)

Regarding Claim 22, The method according to claim 13,

- which further comprises distributing the assets only from the first investment pool until the first investment pool is exhausted. (¶ 3, 13, 14, 16)

Regarding Claim 23, The method according to claim 13,

- which further comprises designating the distributions to be a combination of income and return of principle. (¶ 3, 13, 14, 16)

Regarding Claim 24, The method according to claim 13,

- which further comprises distributing the assets weekly, monthly, yearly, or as desired. (**¶ 3, 13, 14, 16**)

Regarding Claim 26, The method according to claim 13,

- which further comprises investing the assets in each subsequent investment pool for a longer time period than a previous investment pool where the assets of the sixth investment pools are invested for a longest time period and the assets of the first investment pool are invested for the shortest period of time. (**¶ 3, 13, 14, 16**)

### ***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-7, 11-12, 14-21, 25, 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Singletary. Choices for Conservative Savers. The Washington Post.

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Washington, D.C.: Sep 15, 2002. p. H.01] and further in view of Arena et al. [U.S. Pub. No. 2002/0174045].

Regarding Claim 1, Singletary discloses, A method for allocating assets of a portfolio, which comprises the steps of:

- investing a first portion of the assets in a first investment pool at an assumed average first rate of return; (**¶ 3, 14, 16**)
- investing a second portion of the assets in a second investment pool at an assumed average second rate of return being greater than the assumed average first rate of return; (**¶ 3, 13, 14**)
- investing a third portion of the assets in a third investment pool at an assumed average third rate of return being greater than the assumed average second rate of return; (**¶ 3, 13, 14**)

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Regarding Claim 1, Singletary fails to disclose,

- converting assets of the second investment pool into a fourth investment pool having the assumed average first rate of return when the first investment pool is exhausted.

Regarding Claim 1, Arena et al. discloses,

- converting assets of the second investment pool into a fourth investment pool having the assumed average first rate of return when the first investment pool is exhausted. (**¶ 8, 66, 67, 115, 116**)

It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide the teachings of Arena et al. in the device of Singletary, in order to rebalance assets to achieve the composite asset allocation model in a cost-effective, financially advantageous manner. (**¶75 from Arena et al.**)

Regarding Claim 2, Singletary and Arena et al. disclose, The method according to claim 1.

Regarding Claim 2, Singletary further discloses,

- which further comprises distributing assets, being a combination of income and return of principle, from the first investment pool before distributing assets from any other investment pool. (**¶ 3, 13, 14**)

Regarding Claim 3, Singletary further discloses, The method according to claim 2,

- which further comprises distributing the assets from the first investment pool on a weekly, monthly or annual basis until the first investment pool is completely exhausted from the distributions of income and return of principle. (**¶ 3, 13, 14**)

Regarding Claim 4, Singletary discloses, The method according to claim 2.

Regarding Claim 4, Singletary fails to disclose,

- after the assets of the second investment pool have been converted to the fourth investment pool having lower risks, distributing assets from the fourth investment pool when the assets of the first investment pool are completely exhausted due to the distributions of income and return of principle.

Regarding Claim 4, Arena et al. further discloses,

- after the assets of the second investment pool have been converted to the fourth investment pool having lower risks, distributing assets from the fourth investment pool when the assets of the first investment pool are completely exhausted due to the distributions of income and return of principle. (**¶ 8, 66, 67, 71, 115, 116**)

Regarding Claim 5, Arena et al. further discloses, The method according to claim 4,

which further comprises:

- bifurcating assets of the third investment pool into a fifth investment pool having the assumed average first rate of return and a sixth investment pool having the assumed average second rate of return when the fourth investment pool is



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completely exhausted due to the distributions of income and return of principle;

**(¶ 8, 66, 67, 71, 115, 116)**

- distributing assets from the fifth investment pool until the fifth investment pool is exhausted due to the distributions of income and return of principle. **(¶ 8, 66, 67, 71, 115, 116)**

Regarding Claim 6, Arena et al. further discloses, The method according to claim 5, which further comprises:

- converting assets of the sixth investment pool into a seventh investment pool, having the assumed average first rate of return, when the fifth investment pool is exhausted due to the distributions of income and return of principle; **(¶ 8, 66, 67, 71, 115, 116)**
- distributing assets from the seventh investment pool until the seventh investment pool is exhausted due to distributions of income and return of principle. **(¶ 8, 66, 67, 71, 115, 116)**

Regarding Claim 7, Singletary and Arena et al. disclose, The method according to claim 1.

Regarding Claim 7, Singletary further discloses,

- setting a size of the first portion, initially held in the first investment pool, to be large enough to handle anticipated distributions of short-term cash flow needs for at least three years. **(¶ 13, 16)**

Regarding Claim 27, Singletary and Arena et al. disclose, The method according to claim 1.

Regarding Claim 27, Singletary discloses,

- which further comprises investing the assets in each subsequent investment pool for a longer time period than a previous investment pool where the assets of the third investment pools are invested for a longest time period and the assets of the first investment pool are invested for the shortest period of time. (**¶ 3, 13, 14, 16**)

Regarding Claim 11, Singletary discloses, A method for allocating assets of a portfolio, which comprises the steps of:

- investing the assets in a multiplicity of investment pools each having different assumed average rates of return and each having greater and greater time horizons; (**¶3, 13, 14, 16**)
- designating a first investment pool of the investment pools to have an assumed average first rate of return being a lowest rate of return of all the investment pools and from which distributions are first withdrawn from, as needed, before withdrawing funds from any of the other investment pools; (**¶3, 13, 14, 16**)

Regarding Claim 11, Singletary fails to disclose:

- converting at least part of the assets of a second investment pool having an assumed average second rate of return being a next lowest rate of return into a

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new investment pool when the first investment pool is exhausted due to distributions, the assets of the new investment pool being invested at a same assumed average rate of return as the first investment pool and being available for distribution.

Regarding Claim 11, Arena et al. discloses:

- converting at least part of the assets of a second investment pool having an assumed average second rate of return being a next lowest rate of return into a new investment pool when the first investment pool is exhausted due to distributions, the assets of the new investment pool being invested at a same assumed average rate of return as the first investment pool and being available for distribution. (**¶ 8, 66,67, 115, 116**)

It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide the teachings of Arena et al. in the device of Singletary, in order to rebalance assets to achieve the composite asset allocation model in a cost-effective, financially advantageous manner. (**¶75 from Arena et al.**)

Regarding Claim 12, Singletary and Arena et al. disclose, The method according to claim 11.

Regarding Claim 12, Singletary further discloses,

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- which further comprises designating the distributions to be a combination of income and return of principle. (**¶ 3, 13, 14, 16**)

Regarding Claim 14, Singletary discloses, The method according to claim 13.

Regarding Claim 14, Singletary fails to disclose,

- converting assets of the second investment pool into a seventh investment pool having the assumed average first rate of return when the first investment pool is exhausted due to distributions;
- distributing the assets from the seventh investment pool when the assets in the first investment pool are exhausted.

Regarding Claim 14, Arena et al. discloses,

- converting assets of the second investment pool into a seventh investment pool having the assumed average first rate of return when the first investment pool is exhausted due to distributions; (**¶ 8, 66, 67, 71, 115, 116**)
- distributing the assets from the seventh investment pool when the assets in the first investment pool are exhausted. (**¶ 8, 66, 67, 71, 115, 116**)

Regarding Claim 15, Arena et al. further discloses, The method according to claim 14, which further comprises:

- bifurcating assets of the third investment pool into an eighth investment pool having the assumed average first rate of return and a ninth investment pool

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having the assumed average second rate of return when the seventh investment pool is exhausted; (**¶ 8, 66, 67, 71, 115, 116**)

- distributing the assets from the eighth investment pool as needed. (**¶ 8, 66, 67, 71, 115, 116**)

Regarding Claim 16, Arena et al. further discloses, The method according to claim 15, which further comprises:

- converting assets of the ninth investment pool into a tenth investment pool having the assumed average first rate of return when the eighth investment pool is exhausted; (**¶ 8, 66, 67, 71, 115, 116**)
- distributing the assets from the tenth investment pool as needed. (**¶ 8, 66, 67, 71, 115, 116**)

Regarding Claim 17, Arena et al. further discloses, The method according to claim 16, which further comprises:

- bifurcating assets of the fourth investment pool into an eleventh investment pool having the assumed average first rate of return and a twelfth investment pool having the assumed average second rate of return when the tenth investment pool is exhausted; (**¶ 8, 66, 67, 71, 115, 116**)
- distributing the assets from the eleventh investment pool as needed. (**¶ 8, 66, 67, 71, 115, 116**)

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Regarding Claim 18, Arena et al. further discloses, The method according to claim 17, which further comprises:

- converting the assets of the twelfth investment pool into a thirteenth investment pool having the assumed average first rate of return when the eleventh investment pool is exhausted; (**¶ 8, 66, 67, 71, 115, 116**)
- distributing the assets from the thirteenth investment pool as needed. (**¶ 8, 66, 67, 71, 115, 116**)

Regarding Claim 19, Arena et al. further discloses, The method according to claim 18, which further comprises:

- converting the assets of the fifth investment pool into three new investment pools, including a fourteenth investment pool having the assumed average first rate of return, a fifteenth investment pool having the assumed average second rate of return, and a sixteenth investment pool having the assumed average third rate of return, when the thirteenth investment pool is exhausted; (**¶ 8, 66, 67, 71, 115, 116**)
- distributing the assets from the fourteenth investment pool as needed. (**¶ 8, 66, 67, 71, 115, 116**)

Regarding Claim 20, Arena et al. further discloses, The method according to claim 19, which further comprises:

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- converting assets of the fifteenth investment pool into a seventeenth investment pool having the assumed average first rate of return when the fourteenth investment pool is exhausted; (**¶ 8, 66, 67, 71, 115, 116**)
- distributing the assets from the seventeenth investment pool as needed. (**¶ 8, 66, 67, 71, 115, 116**)

Regarding Claim 21, Arena et al. further discloses, The method according to claim 20, which further comprises:

- converting the assets of the sixteenth investment pool into an eighteenth investment pool having the assumed average first rate of return when the seventeenth investment pool is exhausted; (**¶ 8, 66, 67, 71, 115, 116**)
- distributing assets from the eighteenth investment pool as needed. (**¶ 8, 66, 67, 71, 115, 116**)

Regarding Claim 25, Singletary discloses, The method according to claim 13.

Regarding Claim 25, Singletary fails to disclose,

- which further comprises periodically reviewing a value of each of the investment pools and rebalancing values of all the investment pools as needed.

Regarding Claim 25, Arena et al. discloses,

- which further comprises periodically reviewing a value of each of the investment pools and rebalancing values of all the investment pools as needed. (**¶ 8, 66, 67, 71, 115, 116**)

6. Claims 8-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Singletary. [Choices for Conservative Savers. The Washington Post. Washington, D.C.: Sep 15, 2002. p. H.01] and Arena et al. [U.S. Pub. No. 2002/0174045] as applied to claim 1 above, and further in view of Manning [U.S. Pub. No. 2004/0088236].

Regarding Claim 8, Singletary and Arena et al. disclose, The method according to claim 1.

Regarding Claim 8, Singletary fails to disclose:

- designating an annual amount of funds needed to be withdrawn per year;
- setting a size of the first portion initially held in the first investment pool to be at least three times the annual amount.

Regarding Claim 8, Manning discloses:

- designating an annual amount of funds needed to be withdrawn per year; (**¶ 21, 32, 35, 46, 47**)
- setting a size of the first portion initially held in the first investment pool to be at least three times the annual amount. (**¶ 21, 32, 35, 46, 47**)

It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide the teachings of Manning in the device of Singletary, in order to prevent outliving the fund. (**¶41 from Manning**)



Regarding Claim 9, Manning further discloses, The method according to claim 8, which further comprises:

- setting a size of the second portion to be initially held in the second investment pool to be at least three times the annual amount; (**¶ 21, 32, 35, 46, 47**)

Regarding Claim 9, Manning fails to disclose,

- putting all remaining assets in the third investment pool.

Regarding Claim 9, Arena et al. further discloses,

- putting all remaining assets in the third investment pool. (**¶ 8, 66, 67, 71, 115, 116**)

Regarding Claim 10, Arena et al. discloses, The method according to claim 5, which further comprises:

- putting all remaining assets of the third investment pool into the sixth investment pool. (**¶ 8, 66, 67, 71, 115, 116**)

Regarding Claim 10, Arena et al. fails to disclose,

- setting a size of the fifth investment pool to be at least three times an annual amount to be withdrawn over a course of a year.

Regarding Claim 10, Manning discloses,

- setting a size of the fifth investment pool to be at least three times an annual amount to be withdrawn over a course of a year; (**¶ 21, 32, 35, 46, 47**)

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Heather Beegle whose telephone number is (571) 270-3333. The examiner can normally be reached on Monday Thru Thursday, 7:30 am to 5:00 pm eastern.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Akm Ullah can be reached on (571) 272-2361. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

HB

  
AKM ULLAH  
SUPERVISORY PATENT EXAMINER